

**OWOSSO CITY COUNCIL**

**JULY 30, 2013**

**7:00 P.M.**

**PRESIDING OFFICER:** MAYOR BENJAMIN R. FREDERICK  
**OPENING PRAYER:** COUNCILPERSON BURTON D. FOX  
**PLEDGE OF ALLEGIANCE:** MAYOR BENJAMIN R. FREDERICK  
**PRESENT:** Mayor Benjamin R. Frederick, Mayor Pro-Tem Cindy S. Popovitch, Councilpersons Loreen F. Bailey, Michael J. Erfourth, Christopher T. Eveleth and Burton D. Fox.  
**ABSENT:** Councilperson Thomas B. Cook.

**CITIZEN COMMENTS AND QUESTIONS**

Lisa Stock explained she was a frequent user of the Bark Park and detailed her concerns with the park including the need for water, vicious dogs, and a lack of enforcement. She said that patrons of the park are willing to work on the park and raise money for improvements. She suggested the City look into possible grants to fund improvements to the park.

Mayor Frederick said he was not aware of the request for water at the park and he liked the idea of providing a joint water connection that would service both the Bark Park and the Community Garden. He said he would have staff look into the vicious dog complaint.

Councilperson Fox said that he had mentioned the need for water at the park before and told Ms. Stock he appreciated her coming in to comment and because it helps Council find out about issues around town that they may not have been aware of.

**DISCUSSION ITEMS**

**RETIREMENT SYSTEM PRESENTATION**

City Manager Donald D. Crawford distributed information on the various retirement programs that apply to City employees and retirees; the City's pension system, MERS, and a defined contribution plan. He noted that a portion of the City's system was closed to new members but the Police Patrol and Fire groups were still open. He said the main points of concern were the increasing level of contribution required of the City to keep the City plan funded properly, having increased from \$128,000 in 2009 to \$829,000 in 2013, (he did note that the City had made no contributions to the plan from 1996 to 2006) and the disincentive to move up within the Police ranks because of the extremely high contributions required by the MERS system which oversees the pensions for Police Command members.

City Manager Crawford suggested two potential resolutions to the issues he noted:

1. Initiate State legislation that would allow the City to bond for unfunded pension liabilities
2. Update the actuarial assumptions for the City plan to better reflect recent experience (this option could cost the City approximately \$5,000 to conduct a study)

Discussion ensued regarding the potential effects of changing the actuarial assumptions, the probability of State legislation getting passed, whether it would be beneficial to move the City's plan toward using index funds rather than active money managers, and the downside of bonding for such liabilities. It was noted the change in actuarial assumptions may not necessarily lessen the City's contribution but would at least make it more realistic. It was further noted the single largest factor in determining the City's contribution to the system was return on investment. Retirement Board member Councilperson Erfourth opined that index funds would not have been immune from the losses experienced in 2008 and he didn't feel there was enough of a benefit in reduced fees to decisively move to index funds and ask the Retirement Board members to manage the plan themselves. He also expressed that he was strongly in favor of reviewing the actuarial assumptions. Mayor Frederick indicated he felt the legislation currently being proposed needed a few adjustments but he thought it stood a chance of passing. He went on, saying that should the legislation pass he expected the Treasury to develop a list of criteria that would need to be fulfilled before a City would be allowed to bond.

Lastly, City Manager Crawford detailed the issues with MERS and the Police Command unit saying MERS had failed to request enough funding to fully fund the Command unit. The City made numerous attempts to communicate this problem to MERS but were ignored, the result has been a seriously under-funded unit that requires a punishly high contribution from Command members. Discussions have taken place between the Command unit and the City to possibly bring them back into the City's system but the City fears such a move will only bring the under-funding problem in house potentially pitting one group against another.

**HISTORIC FACILITIES PROJECT DIRECTOR**

Mayor Pro-Tem Popovitch indicated she felt the job description was much improved and suggested combining items number 2 & 8 for further clarity.

There was mention of commissioning a wage analysis to determine the appropriate wage for the position and whether the Chamber of Commerce offers such services. Historical Commission member Councilperson Erfourth indicated that while it would be nice to have an employee with a background in museums and historical preservation the Commission was very conscious about the current economic conditions and the fact that this was an additional position that would be added to the roster preferring instead to keep the wages low.

Staff was directed to develop a budget amendment resolution to formally appropriate money for the historic facilities project director position and full funding for the SEDP, to be considered at the August 5<sup>th</sup> meeting.

**NEXT MEETING**

Monday, August 05, 2013

**BOARDS AND COMMISSIONS OPENINGS**

Historical Commission – 2, terms expire 12-31-14 & 12-31-15

**ADJOURNMENT**

Motion by Councilperson Eveleth for adjournment at 7:55 p.m.

Motion supported by Councilperson Erfourth and concurred in by unanimous vote.

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Benjamin R. Frederick, Mayor

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Amy K. Kirkland, City Clerk